UNITED NATIONS

World Chronicle

PROGRAMME: No. 673, recorded 8 September 1997

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United Nations Development Programme

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HUMAN DEVELOPMENT REPORT

Every year, the United Nations Development Programme (UNDP) issues a comprehensive report on human development with special emphasis on a certain issue. This year, the report offers ideas for eradicating absolute poverty. Richard Jolly, coordinator of the report and Special Adviser to the UNDP Administrator, discusses these ideas.

WORLD CHRONICLE is produced by the Media Division, Department of Public Information, United Nations, New York, NY 10017, U.S.A.

Duration: 28:00"
Executive Producer: Kamil Taha
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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

Poverty is no longer inevitable. The world has the material and natural resources, the know-how and the people to make a poverty-free world a reality in less than a generation. This is the message of the 1997 Human Development Report recently published for the United Nations Development Programme, or UNDP. Is it possible to eradicate poverty from the whole world? How can that be achieved? With us today to discuss the issues of poverty and development is Richard Jolly, the principal author and coordinator of the report. Mr. Jolly is also Special Adviser to the UNDP Administrator. Joining me to talk to Mr. Jolly are Bhaskar Menon of the *International Documents Review* and Betsy Pisik of *The Washington Times*.

Mr. Jolly, welcome to World Chronicle.

JOLLY: Thank you.

LITTLEJOHNS: Mr. Jolly, the Human Development Report is a very interesting document, but in the real world we have to deal with greed and selfishness, which are unfortunately all too common. Is it really possible that in that environment poverty can be eradicated in a generation?

JOLLY: Certainly. And the Report takes very much a real-life perspective. To me, one of the most interesting findings, which we report at the very beginning, is that in the last 50 years more progress has been made in reducing poverty world-wide than in the previous 500 years, and focusing on the last 20 years, we note that there's 15 countries with about a third of the population of developing countries which have halved the proportion of people in poverty. There's a number, another 10 or so countries, which have reduced by a quarter the number of people in poverty. So we're not arguing, wouldn't it be nice, we're saying, look what has happened in countries as disparate as Malaysia, Morocco, Barbados, Botswana, China, India – the two largest countries in this world – Indonesia, and we're saying, what was it about their policies that has brought down poverty so dramatically, and why do not other countries follow similar sorts of policies?

LITTLEJOHNS: In the Report, Mr. Jolly, you speak of income poverty and human poverty.

JOLLY: Yes.

LITTLEJOHNS: What do you mean by those two things?

JOLLY: Well, if you ask poor people why do they feel they're poor, or you read sensitive surveys about them, people usually don't say, ah, because my income is less than so much. They talk about vulnerability, they talk – many women talk about particular problems,

they talk about not being able to get schooling for their children, they talk about lack of water, all sorts of real life problems of that sort. So, without throwing out income, we have developed here a human poverty index which is a combination of short life expectancy, lack of any education, illiteracy, lack of access to basic health, to basic water, and high levels of malnutrition. And we've combined these as a multi-dimensional index to say that any one of these things is a very serious human lack, and you need to combine them together to get a better perspective, both of what real poverty adds up to and as an agenda of what countries need to do things about.

LITTLEJOHNS: And, in UN terms, what is absolute poverty?

JOLLY: Well, we say such a low level of life expectancy –

LITTLEJOHNS: A dollar a day, or something like that?

JOLLY: Well, that's one measure, see. But we say that's not a very.... If you're a nomad in West Africa, and you say, is your income less than a dollar a day, that's not capturing the essence of his problems or his wife or his children. So we say if your life expectancy is less than 40 years, that is real deprivation in length of life; if you've got no access to education at all, if you're illiterate, that on the education scale is absolute poverty; if you've got no access to basic health, water only from some polluted stream, and if your children are severely or moderately malnourished, we say that's absolute poverty in a human sense. We don't throw out the income index, but we say for really poor people in most rural situations, and most of the world's really poor are rural, our index captures reality slightly better.

MENON: You know, historically – not just for the UN, but historically over the long term – there have been many analyses of what causes poverty. You have the Marxian analysis, you have the capitalist analysis of what causes poverty, what creates wealth. From your perspective now, what would you say is necessary to remove poverty on a global basis? Is the global economy a poverty-producing machine?

JOLLY: Let's come to the global economy perhaps in more detail later. We say the global economy offers many opportunities, but if you're a small, weak, poor country, you may be losing as much as you're gaining, so we say the international community needs to do more to help the weakest and the poorest. But we recognize that India, China, many of the countries that have been most successful have actually gained from the opportunities which the globalizing world presents.

But let me come back to the basic point about what needs to be done. We draw on a lot of studies, some brilliant studies in India, for example, that took a whole range of findings of their experience in reducing by a quarter poverty over the last 15, 20 years, and many, many others. There's been a recent trend to start with the poor themselves. And the beginning is not us, it's to recognize that poor people everywhere are desperate to escape the worst aspects

of their poverty. They have many strengths; often they don't have the opportunity to use those strengths. So, of our six-point agenda, the first one is recognize the potential strengths of the poor, help them to get empowered, give them opportunities, politically, economically, access to credit, certainly access to education for them and them children, and so forth.

MENON: Well, you know, it's all very well for you to say this, but if you look at where the money is, it's not been committed to development. At the same time that the UN has been shouting from the rooftops about what needs to be done, and the Human Development Report every year analyzes it from a different perspective, the money actually committed to development has been declining rapidly. How do you put these --

JOLLY: Well, let me not keep slipping to the international, because the beginning of poverty strategies, what countries do themselves, what we found -- which is very interesting, and not what people would have stressed 20, 30 years ago -- the countries that have been most successful in reducing poverty -- Malaysia, Thailand, Botswana, Morocco, Tunisia, and so forth, these countries are ones where income distribution has generally been more favourable than in other countries. But they're also countries which generally have also had fast growth, so whereas 20, 30 years ago we might have said, well, are you going to care about the poor or are you going to have growth, now pro-poor growth turns out to be better growth, faster growth in many cases. And many of these countries -- take Korea, take Taiwan -- they were ones where early on they also had more equal distribution of key assets, such as land, which affects the poor, education for all, very rapidly, and Korea, for example, in the midst of the adjustment and difficulties of the '80s, extended health-care to everyone. The United States hasn't even achieved that, and often we say, but we can't afford it. At a time when many countries would have cut back, Korea actually expanded health; from '79 to '89 they went to universal health coverage with their basic national health system.

PISIK: Doesn't it indicate in a way that the world is lurching out of poverty in a very slow fashion? If, in the last 20 -- 20 years, was it?

JOLLY: Twenty particularly, yes.

PISIK: -- That the number of those in absolute poverty has been halved, are we on the right track? Is there some major adjustment of the poverty policy that needs to be considered?

JOLLY: I think there's a number of ways we are on the right track, that particularly if we learn from the Southeast Asian countries, and some of these more successful ones, they've combined, as I said, poverty and better income distribution with growth. However, we also need to look, what about the countries which have not succeeded and in fact where poverty has been getting worse? We say there's a good and there's a bad part of the message. And sub-Saharan Africa, the least developed countries, they are countries where they've been shrinking as a share of the global economy, and often their economic difficulties have combined with cut-

backs in health and education, and cut-backs of course in the income of ordinary people. So I would say not merely have these countries often not learned the lessons of the successful countries, the international system has let these countries down. So we've allowed debt for Africa to soar to unconscionable levels, we've cut back aid, the international community has cut back aid to Africa, and often the adjustment programmes that were being promoted so strongly in the '80s, they said you've got to cut back and be more realistic in expenditure, and often education and health were cut back too. All the exact opposite from the recipes that proved so successful in Southeast Asia.

MENON: When you first started the series.... Did you have a follow-up?

LITTLEJOHNS: Betsy has another question.

PISIK: Just to follow up on that then, since you bring up sub-Sahara Africa, for example, and we're looking at some of the examples -- corruption, war -- these are global issues that are with us for some time. Are these -- these are taken into account anecdotally.

JOLLY: Pretty much so, yes. Well, not just anec --

PISIK: Can you comment on the impact of that?

JOLLY: Not just anecdotally. Again, if you look at the countries where poverty has got very much worse in this basic human sense, where life expectancy has risen, sorry, has fallen, for example, sometimes fallen -- we've found of course this was linked to the conflict countries, also linked to --

LITTLEJOHNS: Linked to which countries?

JOLLY: Conflict countries. Countries in conflict.

LITTLEJOHNS: Internal conflict, you mean?

JOLLY: Almost all of the conflict, the 30 countries in serious conflict, as the Secretary-General has been emphasizing, are countries where it's been --

LITTLEJOHNS: Civil war.

JOLLY: Civil war, internal conflict. But of course you have to ask why. Why have we suddenly seen so much more of this in the last five, ten years than before? Some, of course, would say, well, the cold war has ended. But I personally think, and I think we give some evidence for this, it's not just that that's important, it's the fact that when development has so failed, and people are poorer, as they are in many countries than they were 20, 30 years earlier, then internal tensions arise and then people start stressing ethnic rivalries -- someone from some other group has got the job, and so forth. But also AIDS has spread, particularly in the conflict countries, and particularly in countries where basic health services, to deal, say, with sexually transmitted diseases, have deteriorated. So, in terms of human poverty, we've seen setbacks in some groups of countries, fortunately not as many as the countries -- the population

is not as large as in countries where we've seen the success, and in terms of life expectancy, nutrition, health, we've seen these setbacks, and they are very, very serious.

LITTLEJOHNS: This is **World Chronicle**. Our guest is Richard Jolly, Special Adviser to the Administrator of the United Nations Development Programme.

MENON: I'm still a bit confused, because on the one hand we hear analysts saying that things are getting better, and then on the other hand you have people pointing out that many countries, in fact, you were saying 93 before the show, are worse off or just as bad as they were 20, 30 years ago. Which picture is the true one? Is the glass half full? Is it getting fuller or is it getting emptier?

JOLLY: Well, we're in a world of ever greater disparities, so I think we need to talk about which part of the world we're talking about. Are we talking about the successful countries and people who live in those countries? Are we talking about the nearly 100 countries where things are going downhill? And –

MENON: If I may interrupt here, to rephrase my question, an earlier question, do you have – is there any analytical picture of this that says these hundred countries are worse off because they're doing so and so and so, and the ones who are improving are getting better because they're doing so and so ? Is there a clear picture of that?

JOLLY: I think there's growing clarity. It's not – there are still elements of debate, of course. But we have tried to draw on the successful countries to identify the elements – better income distribution, education and health for all, certainly an emphasis on pro-poor growth, high savings rates –

MENON: Whatever happened to freedom? At the beginning of the series you had a human freedom index, which then was extremely unpopular with the Governments and it was left out. It's quite clear that at some level if you're talking about a market economy you need individual human rights, if a market economy is to function optimally, that you need people to be able to make decisions about their own welfare at an individual level. Is there any correlation in your studies that points this out?

JOLLY: Some. Certainly one of our key advisers, Professor Amartya Sen, has long argued you never find famine in a democratic country. You may have terrible setbacks in rainfall and disaster, but you don't get famine and deaths because – and India's a good example, the last real famine was – what? – in Bengal in 1943. There's a country which has had a democratic system. I think we're all more conscious that people power involves giving people a chance to express their opinions, and the positive side of elections. And we have a whole chapter on the politics of the strategy of poverty reduction, and a number of people have praised us for it, because we point out that it's not usually the benign top government policy-maker that has led to the reduction of policy, it has almost always had an element of political

struggle. Go back several hundred years in Britain, look at the French Revolution and so forth. And that is true today. People need to be able to organize. So we recognize that political rights as well as human rights are important. But that's it. You can't say that only the countries which have had a really good human rights record are the ones that expanded health and education. I think we've seen considerable progress in health and education world-wide. And in nutrition, as I've emphasized. And not just in the very favourable countries that have shown economic growth.

PISIK: Is this the sort of thing that you're referring to when you talk about "pro-poor growth" and pro –

JOLLY: Well, I would talk about human rights and democracy. Pro-poor growth often goes along with democracy and human rights, but it's not only, and certainly not just in a western sense of democracy.

MENON: But how would you explain, for instance, China? All the Asian tigers –

JOLLY: Well, that's a good example.

MENON: Well, I mean, precisely. If you take all the Asian tigers, not one of them has been a democracy.

LITTLEJOHNS: Well, Singapore, I think, would dispute that, for example. And Malaysia. What's your definition of a democracy?

MENON: Oh, but I think if you lived in any of those societies you wouldn't call them a democracy for one minute. You know, this is not something which you can discuss frankly at the UN, but in a western sense of having full freedoms and individual freedoms, those societies are not free. And I don't think anyone who has lived there for a day would dispute that.

LITTLEJOHNS: Would you agree with that, Mr. Jolly?

JOLLY: I think this is one of the reasons why the UN finds it very difficult to discuss these issues, because of different perceptions of democracy and so forth. But our report, while recognizing the need for political pressure in favour of the poor – and that is very clearly analyzed, and I think that comes out – and recognizing the value of democratic systems, and indeed, the progress made in the last 15 years particularly in democratic systems, we don't have an overly simple analysis that says only the countries that have voting systems every four years and so forth are the ones that have made progress. That's not true to the data.

LITTLEJOHNS: Mr. Jolly, you speak in your report about the obscenity of the large number of billionaires in the world. Are you perhaps having in mind the possibility that some of these billionaires might be tithed to help the poor?

JOLLY: It was one very interesting proposal put to us, that we ought to propose a conference of billionaires to look at the issues of world poverty, and say – surely we all agree

that world poverty is unnecessary now, in the late 20th century, the early 21st; what do you, from your own experience, and not just from your own wealth, think that could and should be done about it? And I'm a bit sad we didn't put that proposal in, because I think many of these people might well be challenged in their minds, as I say, as well as possibly in their pocketbooks, to contribute to this.

LITTLEJOHNS: Have you been in touch with any of these billionaires -- Bill Gates, Warren Buffet, the Sultan of Brunei?

JOLLY: Well, let me put it this way: I have actually, not recently, but I was pleased once to meet the Sultan of Brunei when he gave a major contribution to UNICEF. But no, if any of them wanted to contact the Human Development Report office, we would be ready to answer the phone or come and see them at a moment's notice.

LITTLEJOHNS: Better yet that they bring their checkbooks! Betsy, you have a question?

PISIK: You know, speaking of billionaires, it seems like there's an increased interest in "trade, not aid", as they say. Certainly Congress is heading that way as well. Is this a good thing? Is this a bad thing? Should we continue aid as it has been dispensed?

JOLLY: Broadly it's a good thing. But the chapter we have on globalization shows in all these ways that it's not a simple "Do you want trade or do you want aid?"; certainly all countries really need more benefits and trade – but trade on better terms. Many of the poorest countries, the least developed countries, still need aid – but aid also on better terms. So we --

PISIK: Is there a way to shift the emphasis, though, from aid in the traditional form of money given, and in many cases distributed or not distributed, or used or not used by the powers that be to more of a market-based – setting up businesses, setting up enterprise?

JOLLY: I don't think we need to shift in that direction. I think that has been the shift of the last 5, 10, 15 years, without any doubt, and certainly our report is not a report that a little more aid will solve the problems of poverty. Remember, I began by saying we need to recognize the strengths of poor people themselves. Most of the policies we propose relate to what countries can and should do themselves. But we recognize that the poorest and least developed countries, the weakest in the global economy, do also need not just aid but a better chance at opportunities within this global economy.

MENON: To what extent have you succeeded in changing attitudes, for instance, among the least developed countries themselves?

JOLLY: Well, I think some of these attitudes are indeed shifting, but where I'm very proud as a newcomer to the Human Development Report is the impact it's had: 75 countries have produced national human development reports, looking at just these issues in terms of their own context. But what the least developed countries need as a whole is – we have ideas,

many others have ideas, UNCTAD has ideas. In this home of the United Nations, this has been for -- what? -- 30, 40 years a major theme.

MENON: In the least developed countries do you find any kind of disparity of income? For instance, in Zaire, now the Congo, you had Mobutu's --

LITTLEJOHNS: That's a huge disparity.

MENON: An enormous disparity. You had --

JOLLY: Yes, we emphasize them.

MENON: Right. But in the other least developed countries -- Zaire, of course, I don't know, I don't think it was one of the least developed -- but among the other smaller countries, do you find --

JOLLY: Haiti?

MENON: Do you find the same --

JOLLY: I think in my own personal experience, the income disparities in Haiti -- I'm going back to the time of Duvalier, but it was explained by a very senior minister of planning in Haiti to me that Duvalier's income was just about half the whole country's, and there were another seven families and perhaps 93 people that had about 45 per cent of the remainder, and then there were the people.

MENON: To ask an indelicate question, in a situation like this, when the people who govern the countries are in fact the most rapacious of people, what hope do you have of --

JOLLY: No, that's not an indelicate question, it's a vital question. Because I think that rightful scepticism, which many of us with experience must share, often leads us to say then the idea of abolishing world poverty is hopeless. But then one doesn't explain why is it that poverty has gone down so rapidly by many of these important tests? And it's not just the 25 countries. As I say, in terms of -- life expectancy even in Haiti has increased. Access to health, access to education has been expanding in virtually every country in the world. There's only a tiny handful where it hasn't. So we need to ask, well, how, in spite of rapacious leadership that often is not what most of us with a democratic or a visionary perspective would like, how has it been possible? We try and learn some of these lessons. Usually you see people struggle; usually you see that the demand for education wins out somewhat. And we ask, how can it win out totally? So not that we expect nirvana, or not that we rely only on nirvana to produce these things, but that we build on actual experience. And I think people need to realize that in the late 1990s and with the 21st century certain things need no longer be. And just as, to go back to the 19th century, most of us would say, I mean, children aged 7 in many countries --

LITTLEJOHNS: Mr. Jolly, that's all the time we have. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been Richard Jolly, Special Adviser to the Administrator of the United Nations Development Programme. He was interviewed by Bhaskar Menon, of the International Documents Review and Betsy Pisik of *The Washington Times*.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

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